

BOARD CHARTER

1.0 Introduction

The Board is accountable to shareholders and stakeholders for the corporate governance and performance of the Group's sustainability. The Board Charter sets out, among others, the principal role of the Board, responsibilities and Board Committees.

The Board Charter also serves as a general statement of intent on how the Board discharges its duties and responsibilities. The Board Charter aims to ensure that all Directors acting on behalf of the Company are aware of their fiduciary duties and responsibilities as Board members. It also aims to ensure that all Directors understand the various legislations and regulations, Companies Act 2016, Capital Market Services Act 2007, Securities Commission Act 1993, Malaysian Code on Corporate Governance ("MCCG" or "the Code") and Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements"), affecting their conduct and that they apply principles and practices of good corporate governance in all their dealings in respect of and on behalf of the Company. The Board is also governed by the Constitution of the Company.

2.0 Role and Function of Board

2.1 Board Composition

The Board comprises of professionals from various backgrounds and with the relevant experience and expertise that would add value to the Group. The mix of experience and talent is vital for the strategic success of the Group.

The control environment sets the tone for the Group and is driven by an effective Board consisting of competent individuals with appropriate specialized skills and knowledge to ensure capable management of the Group. The appointment of Independent and Non-Independent Directors is carefully considered to ensure that the Board is well balanced on views, advice, judgment and decision making.

2.1.1 Number of Directors, Independence and Composition

In accordance with the Constitution, the number of Directors including a Managing Director shall not be less than two (2) but not more than twelve (12). Paragraph 15.02 of the Listing Requirements requires at least two (2) directors or one third (1/3) of the Board, whichever is the higher, to be independent and 1 director of the listed issuer is a woman. The Executive Directors take on the primary responsibility of the day-to-day running of the Group's business, as well as, implementing the policies and decisions of the Board.

The Independent Non-Executive Directors and Non-Independent Non-Executive Director act independently of management and do not participate in any business dealings and are not involved in any other relationship with the Group that may impair their independent judgment and decision making. They provide a broader view and

independent assessment to the Board's decision-making process by acting as an effective check and balance.

2.2 Roles and Responsibility of the Board

The Board is the ultimate decision-making body of the Company, and is responsible for oversight and overall management of the Group.

It sets the strategic direction and vision of the Company and takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Group. It enforces standards of accountability, with a view to enabling Management to execute its responsibility effectively and efficiently to meet the long-term goals of the business. The Board has overall responsibility for putting in place a framework of good corporate governance within the Group, including the processes for financial reporting, risk management, internal control and compliance.

The Board retains full responsibility for guiding and monitoring the Company in discharging its responsibilities. The various board committees perform certain of the Board's functions and to provide it with recommendations and advices.

The Board focused on the following matters which are specifically reserved for the Board and they constitute the key responsibilities of the Board: -

i) Reviewing and Adopting the Company's Strategy and Business Plan

The Board reviews and is adopting a strategic plan for the Group presented by the Management and guides the Group in promoting its core values, policies and, meeting targets and objectives.

ii) Overseeing the Conduct of the Company's Business

To ensure the effective discharge of its functions and responsibilities, the Board delegates the day-to-day management of the Group's business to the Management. The Managing Director is responsible for the implementation of the Board's decisions, and the day-to-day operations of the Group's business and operational efficiency. The Managing Director drives the daily business activities of the Group.

iii) Succession Planning

The Board recognises the importance of succession planning in building long-term sustainable performance excellence for key management positions. It has identified potential candidates for senior managerial positions to ensure continuity of positions.

iv) Overseeing the Development and Implementation of a Communication Policy for the Company

The Board recognises the importance of keeping shareholders and investors informed of its latest business and corporate developments.

The Board believes that an effective investor relationship is essential in enhancing value to its shareholders.

The dissemination of information about the Group, its businesses and its activities are conducted via the timely release of quarterly financial results and announcements.

Other investor relations activities, such as announcement to Bursa Securities, meetings with local fund managers and research houses, are to keep the shareholders duly informed on the performance, development and operational activities of the Group.

v) Matters Reserved for the Board's Decisions

The responsibility for matters material to the Group is in the hands of the Board, with no individual Director having unfettered powers to make decisions. Matters reserved for the Board include discussions on matters of significance, such as, change of direction in strategy, changes related to structure and capital, changes in Board members, disposal and procurement of assets, Executive and Non-Executive Directors' remuneration packages, approval of preliminary announcement of interim and final results that need authorisation from time to time.

2.3 Separation of position of Chairman and the Managing Director ("MD")

To ensure balance of authority, increased accountability and a greater capacity for independent decision-making, the roles of the Chairman and the MD are distinct and separate with a clear division of responsibilities between the Chairman and the MD.

2.4 Role of Chairman

The Chairman is pivotal in creating the conditions for overall Board and individual Director's effectiveness. Chairman's responsibility is to run the Board and set its agenda taking into account the issues and concerns of all Board members. He/she ensures Board Members receive accurate, timely and clear information about the Company's performance to enable the Board to make sound decisions, and encourages active engagement by all Board Members. He/she is responsible for the approval of all Group policies, ensuring they adhere to and conform to the highest standards. The Chairman also ensures the orderly conduct and management of the Board, and Board Committees performance.

2.5 Role of Executive Directors

The role of the Executive Directors is to act as a steering committee and to collaborate with the Management in the Group's vision, mission, values and strategies. It develops the Group's strategy, direction and business plan for the Board's approval to manage and drive the daily operational activities, important critical matters and set priorities to achieve the business objectives, including looking into manpower requirements and succession planning. Executive Directors are led by the MD. Executive Directors take on the primary responsibilities for implementing the Group's business plans and managing the business activities.

2.6 Role of Managing Director

The MD is responsible for developing the Group's objectives and strategies for approval by the Board having regard to the Group's responsibilities to its various stakeholders. The MD also in-charged with implementing the Board's directions, managing the day-to-day business operations, including chairing the Executive Committee and communicating its decisions and recommendations to the Board. MD duties include driving the Group's performance and reviewing its operational results and strategic directions of the Group's business. MD undertakes the responsibility of identifying and executing new business opportunities. MD also ensures the Board that appropriate risks and internal controls are in place.

All decisions of the Board are based on the decision of the majority of the Board Members and matters are deliberated with active participation of the Independent Non-Executive Directors and the Non-Independent Non-Executive Director. Therefore, no individual Director dominates the decision-making process unless duly authorised by the Board.

Nevertheless, functionally and for all purposes and intent, the responsibilities of the MD are executed by delegating authority to designated Senior Management to ensure that division and

accountability in essence are separated. Further, all decisions on matters reserved for the Board are made after due deliberation by the Board and the Board Committees, where required.

2.7 Role of Independence Directors

The role of the Independent Directors is particularly important as they provide unbiased and independent views, advice and judgement, and plays a pivotal role in decision making and corporate accountability. Independent Directors ensure that the business plans proposed by the Management are fully deliberated and examined objectively, taking into perspective the long-term interests of the Company, its shareholders, other stakeholders and the community at large.

3.0 Board Committee

3.1 Audit Committee (“AC”)

The principal objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to corporate accounting system of internal control and management and financial reporting practices of the Group.

3.2 Nomination Committee (“NC”)

The NC of the Company consists entirely of Non-Executive Directors, the majority of whom are Independent Directors.

The principal objective of NC is to assist the Board to evaluate and recommend candidates on the appointment of a Director after considering the candidate skills, knowledges and experience and other qualities including core competencies which a Director should bring to the Board and to assess the effectiveness of the Board as a whole.

3.3 Remuneration Committee (“RC”)

The majority of the RC members are Non-Executive Directors. RC plays an essential role in overseeing the quality of the remuneration for Executive Directors and Senior Management.

4.0 Code of Ethic, Risk Management and Investor Relations

4.1 Code of Ethics of the Directors

The Board observes the Code of Ethics and Conduct for Company Directors established by the Companies Commission of Malaysia (“CCM”).

The Board has adopted a Code of Ethics and Conduct for Directors and employees towards their customers, business partners, communities and shareholders. It sets out the ethical standards and underlying core ethical values to guide actions and behaviors of all Directors and employees in conducting the day-to-day duties and operations of the Group.

4.2 Risk Management

Internal control system is principally designed to cater for the business needs and manage the potential business risks of the Group. The Board acknowledges its responsibility for maintaining a sound system of risk management through internal audit controls function in the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Group has in place a Whistle Blowing Policy to eradicate unethical behavior in the workplace, and as avenue for employees to raise concerns in good faith without fear of reprisal. The Group also has established a risk management framework to identify, evaluate and manage risks that may affect the achievement of the business objectives of the Group.

The Board has delegated its authority to the Audit Committee (“AC”) to assist the Board in fulfilling its fiduciary responsibilities relating to system of internal control and risk management processes, corporate accounting, management and financial reporting practices of the Group. The Board has appointed an external independent internal audit firm reporting to AC and the firm provides outsources services of internal auditing which covers Risk and Control.

4.3 Investor Relations and Shareholders’ Communication

Annual General Meeting (“AGM”) is the principal forum for dialogue with shareholders. At the Company’s AGM, shareholders have direct access to the Board and are given opportunities to ask questions. The shareholders are encouraged to participate in the question and answer session.

The Company recognises the importance of communications with investment community consistent with commercial confidentiality and regulatory considerations. The Company aims to build a long-term relationship with shareholders and potential investors through appropriate channels for the management and disclosure of information.

The Company’s corporate website provides all relevant information on the Group and is accessible by the public. The corporate website also enhances the Investor Relations function by including announcements on various disclosures, timely release of quarterly financial results, annual reports and corporate announcements made have provided the shareholders and investing public with an overview of the Group’s performance and operations. Investors queries pertaining to financial performance or developments may be directed to the Group, at the contact details: Tel: +607-773 6918, Fax: +607-7742025, Email: corp@fibon.com.my.

The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group.

5.0 Directors Term of Service, Assessment and other matters

5.1 Appointment and Re-election

The NC task is to assist the Board to evaluate and recommend candidates for appointments to the Board.

The Board, through the NC will propose the board composition shall bring the required mix of skills and core competencies for the Board to discharge its duties effectively. New appointees will be considered and evaluated by the NC. The NC will then recommend the candidates to be approved and appointed by the Board.

The Group will continue to identify suitable candidates for appointment to the Board based on merit and competence and the contribution that each potential candidate can bring to further strengthen the Board. The evaluation of the suitability of candidates as Board members is solely based on the candidates’ competency, character, time commitment, knowledge and experience in meeting the needs of the Group.

5.2 Term of Appointment

In accordance with the Constitution, all new Directors who are appointed by the Board during a financial year will retire at the following AGM. The Constitution also provides that at least one-third (1/3) of the Directors for the time being, or if their numbers is not in multiple of three (3), then the number nearest to one-third (1/3) shall retire from office provided always that all Directors including the MD shall retire from office at least once every three (3) years but shall be eligible for re-election.

Directors appointed during a financial year shall hold office until the next AGM and if eligible, may offer themselves for re-election at the next AGM.

A Director who is up to retirement by rotation but does not offer himself for re-election shall retire at the conclusion of the AGM.

5.3 Tenure of Independence

As recommended by Practice 5.3 of the MCCG, the tenure of service of Independent Directors is generally capped at the maximum limit of nine (9) years as required by the Code. However, upon completion of the nine years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event that the affected Director is to remain designated as an Independent Director, the NC's recommendation based on appropriate justification and shareholders' approval is required. The NC undertakes assessment of the independence of the Independent Directors, upon admission, annually and as and when new interest of relationship develops.

5.4 Directors' Remuneration

The Directors' remuneration is linked to experience, scope of responsibility, seniority, performance and industry information.

5.5 Board Annual Assessment

The NC compiles and conducts on an annual basis the following evaluation: -

- The effectiveness of each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees;
- The effectiveness of the Board Committees and the Board as a whole;
- Independent Directors' self-assessment;
- The External Auditors' performance and independence; and private sessions with the External Auditors.

All assessments and evaluations carried out by the NC are properly documented. The assessment and comments by Directors' are summarised pertaining to the effectiveness of the Board and its Board Committees, are tabled at the NC meeting. The NC Chairman will then report to the Board on the results of the Directors' assessment and evaluation.

5.6 Directors' Training and Development

The Group acknowledges the importance of continuous education and training to the Board members.

All newly appointed Directors have to complete the Mandatory Accreditation Programme (MAP) as required by Bursa Securities.

Board members are encouraged to attend training programmes conducted by competent professionals and which are relevant to the Company's operations and business, including new developments pertaining to the law and regulations and changing commercial environment which may affect the Board and/or the Company.

6.0 Board Meeting

6.1 Call for Meeting and Proceeding

The Director may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Any Director may, whenever he/she thinks fit, and the Secretary at the request of a Director shall, call a meeting of the Board of Directors as provided in the Constitution.

The Company Secretary is responsible to ensure minutes are recorded for all Board and Board Committee meetings, and the minutes duly confirmed by the Chairman of the meeting shall be reviewed and adopted at the subsequent meeting.

6.2 Notice of Meeting

Unless otherwise determined by the Directors from time to time, seven (7) days' notice of all Directors' meeting shall be given to all Directors.

6.3 Quorum for Board Meeting

Under the Constitution, the quorum shall be at least two (2) Directors. However, Board meetings are normally been fixed on dates when all or a majority of Directors are able to attend.

6.4 Frequent of Meeting

The Board shall meet at least four (4) times a year, at least every quarter, not later than two (2) months after the end of the financial quarter. Additional meetings may be called by the Board from time to time as and when required.

6.5 Attendance at Board Meeting

Directors are expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his duty as a Director of the Company. A Director must not hold more than 5 directorships in listed companies.

Individual Directors shall attend at least 50% of the total Board Meetings held in each financial year. The office of a Director shall become vacant if a Director is absent from more than 50% of the total Board Meetings held in a financial year.

The Company Secretary shall attend all Board and Board Committee meetings. Key managements are invited to attend Board and Committee Meetings to provide inputs as and when necessary. Auditors, other professional advisors and consultants may also be invited to brief the Board on specific areas as required.

6.6 Conflict of Interest

In accordance to the Companies Act 2016 and Listing Requirements, the Directors shall disclosure his/her shareholding and interests in the Company and interest in any contract or proposed contract with the Company, which include the nature, character and extent of any

office or possession of any property, whether directly or indirectly, duties or interests that might be created in conflict with his/her duty or interest as a Director of the Company.

Internal policies and procedures are in place to address potential conflicts of interest situations, in areas, such as Related Party Transactions.

6.7 Voting & Decision Making

Any question arising at a Board Meeting is decided by a majority of votes after due discussion and deliberation, and the Chairman has a second and casting vote. A Director is required to abstain from deliberations and voting in respect of any contract or proposed contract or arrangement in which he/she has direct or indirect interest.

The Chairman and the Board may, if deemed necessary and appropriate, request an interested Director to excuse himself/herself in the deliberation.

Where appropriate, decisions are also made by way of circular resolutions in between scheduled meetings. Such resolutions are signed by a majority of the Directors and valid as if the resolution was passed at a Board Meeting duly called and constituted.

6.8 Company Secretary

The Board appoints the Company Secretary who plays an important advisory role as a central source of information and, assist and advice the Board and its Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Group.

The Company Secretary who reports directly to the Board must be suitably qualified or licensed under the prevailing statutory requirements and is competent with adequate authority and experience to discharge his/her duties described herein.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

6.9 Right of Directors to access information and advice

The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and knowledgeable on statutory and regulatory requirements relating to the Companies Act, 2016, the Listing Requirements and the MCGG, and the implications to the Company and the Directors in relation to their duties and responsibilities. The Company Secretary facilitates the flow of information to the Board and its Board Committees.

The Directors have ready and unrestricted access to the advice and services of the Company Secretary pertaining to Board policies, procedures, the Companies Act, 2016, Listing Requirements, MCGG, and timing of material announcements, to enable them to discharge their duties effectively. The Company Secretary also keep the Directors and Principal Officers informed of the closed period for trading in the Company's shares.

The Board should have access to all information within the Company in a timely manner for the discharge of its duties effectively. The Board and Board Committees' papers are prepared and circulated to the Directors or Board Committees Members at least five (5) days before the Board and Board Committees meetings.

Besides direct access to the Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary.

6.10 Financial Reporting

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's financial position and prospects by making sure the financial statements and quarterly announcements.

The Board takes responsibility for ensuring that the financial statements of the Group and of the Company give a true and fair view of the state of affairs of the Group and of the Company as required under Section 251 of the Companies Act, 2016. Efforts are made to ensure that the financial statements comply with the provisions of the Companies Act, 2016 and the applicable approved accounting standards in Malaysia. The Board also ensures the accurate and timely release of the Group's quarterly and annual financial results to Bursa Securities accordingly.

7.0 Review of Board Charter

The Board Charter will be reviewed and updated as and when required for any relevant new amendments in rules, laws and regulations which may have significant impact on the discharge of Board's duties and responsibilities, to ensure relevance and compliance.

The above Board Charter was last updated and approved on 27 April 2023.

APPENDICES:

- Appendix 1 Terms of Reference of Audit Committee
- Appendix 2 Terms of Reference of Nomination Committee
- Appendix 3 Terms of Reference of Remuneration Committee
- Appendix 4 Whistleblowing Policy

TERMS OF REFERENCE OF AUDIT COMMITTEE (“AC”)

Objectives

The principal objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to corporate accounting system of internal control and management and financial reporting practices of the Group. In addition, the Committee shall:

1. Ensure the timely and accurate preparation and publication of financial statements of our Group;
2. Review the adequacy of provisions against contingencies and bad and/or doubtful debts;
3. Review internal control process and procedures, scope, internal audit findings and recommend actions to the Board;
4. Recommend and appoint external auditors and deal with any issues arising from their audit findings;
5. Review related party transactions that may arise within our Group;
6. Approve fees relating to external auditors;
7. Address any accountability issues that may arise from time to time within our Group; and
8. Oversee compliance with laws and regulations and observance of a proper code of conduct.

Composition of Members

1. The AC shall be appointed by the Board of Directors from amongst their members and comprising not less than three (3) members, of whom the majority shall be the Independent Non-Executive directors. *(In this respect, the Board adopts the definition of “independent director” as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any practice notes issued thereto.)*
2. All members of the AC shall be financially literate and be able to understand matters under the purview of the AC, including the financial reporting process. The definition of financial literacy requires the ability to read, analyse and interpret financial statements.
3. At least one of the members of the AC must be a member of the Malaysian Institute of Accountants, or if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience or either must have passed the examinations specified in Part I of the 1st schedule of Accountants Act 1967, or must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountant Act, 1967, or fulfills such other requirements as prescribed or approved by Bursa Securities.
4. No alternate director shall be appointed as a member of the AC.
5. No former key audit partner shall be appointed as a member of the AC before first observing a cooling-off period of at least 2 years since the date of the last audit report issued where he/she was involved as key audit partner.
6. The term of office and performance of the AC and each of its members shall be reviewed by the Nomination Committee annually to determine whether such AC and its members have carried out their duties in accordance with its terms of reference.
7. If a result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of the events, appoints such number of new members as may be required to make the minimum number of three (3) members.
8. The Board of Directors shall review the terms of its members at least once (1) every three (3) years.

Chairman

1. The AC shall elect a Chairman from among its members and the elected Chairman shall be an Independent Non-Executive Director.
2. The Chairman of the AC shall not be the Chairman of the Board.
3. In the absence of the Chairman of the AC, the other members of the AC shall amongst themselves elect a Chairman to chair the meeting.
4. The Chairman shall be responsible for:
 - i) planning and conducting of meetings;
 - ii) overseeing the reporting of any potential issues and other issues discussed in its meetings to the Board thereafter;
 - iii) encouraging open discussion amongst its members and other invitees during meetings: and
 - iv) maintaining active ongoing dialogue with Management and both Internal and External auditors.

Secretary

The Company Secretary shall be the Secretary of the AC and shall be responsible for drawing up the agenda with concurrence of the Chairman of the AC and circulating it, supported by explanatory documentation to the AC members prior to each meeting.

Authority

1. The AC is authorised by the Board of Directors and have the authority to investigate any matter within its terms of reference, the resources to do so and shall have unlimited access to both the internal and external auditors, as well as the employees of the Group. All employees are directed to co-operate with any request made by the Committee.
2. The AC shall have unlimited access to all information and documents relevant to its activities, to the internal and external auditors, and to senior management of the Group.
3. The AC shall have the authority to obtain independent legal or other professional advices as it considers necessary.
4. Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
5. The AC shall be able to convene meetings with the external auditors, excluding the attendance of the Management, whenever deemed necessary.
6. The AC shall have the power to establish Sub-AC(s) to carry out certain investigation on behalf of the AC in such manner, as the AC deems fit and necessary.
7. Where the AC is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), the AC shall promptly report such matter to Bursa Securities.

Meetings / Quorum and AC's Procedure

The AC is at liberty to determine the frequency of the meetings at least four (4) times annually or more frequently as circumstance dictate. The quorum shall consist of two (2) members, where the majority of members present must be independent non-executive Directors.

The AC shall meet at least once (1) a year with the Management, the Head of Internal Audit and External Auditors in separate sessions to discuss any matters without the presence of any executive members. The AC shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

Upon the request of the external auditors, the Chairman of the AC shall convene a meeting of the AC to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.

A member of AC may participate in meeting of AC by means of telephone of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Meeting Notices and Attendance of the Meetings

1. Notice of AC meetings shall be circulated to all the AC members and those who are required to attend the meeting at least five (5) working days before each meeting unless the AC waives such requirement.
2. The AC shall engage on a continuous basis with senior management, such as the Chairman, the Managing Director, the Executive Directors, the internal auditors and the external auditors in order to be kept informed of significant matters affecting the Company.
3. The Executive Directors, the representatives of internal auditor and external auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the AC.
4. The AC shall be entitled to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors, and at least once a year with the internal auditors.
5. Questions arising at any meeting of the AC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the AC shall have a second or casting vote.
6. The AC members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

Circular Resolution

A resolution in writing signed or approved by letter, electronic mail, telex or telefax or other form of electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "AC Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more members.

Meeting Minutes

1. Minutes of each meeting shall be kept at the registered office and distributed to each member of the AC and also to the other members of the Board.
2. The minutes of each AC meeting shall be tabled to the Board for notation.
3. The minutes of the AC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Duties

The duties of the AC include the followings:

Financial Reporting

1. To review the quarterly and annual financial statements before submission to the Board of Directors for approval, focusing particularly on:
 - Changes in or implementation accounting policies and practices;
 - Significant matters highlighted including financial reporting issues;
 - Significant and unusual events and how these matters are addressed;
 - Significant adjustments resulting from the audit;
 - The going concern assumption; and
 - Compliance with accounting standard and other legal requirements
2. To monitor the integrity of the Company's financial statements;

External Audit

1. To consider the appointment or re-appointment of external auditors, the audit fee and matter relating to the resignation or dismissal of auditors, if any;
2. To review the following: -
 - (a) any letter of resignation from the external auditors; and
 - (b) whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment.
3. To review the independence and qualification of the Company's external auditor on an annual basis;
4. To recommend the nomination of person or persons as external auditors;
5. To review with the external auditors the audit plan, their audit reports, their evaluation of the system of internal accounting controls, the effectiveness of internal control, their letter to management and the management's response and the assistance given by the employees to external auditors;
6. To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
7. To communicate its insights, views and concerns about relevant transactions and events to the external auditors;

8. To establish a policy on the provision of non-audit services by the external auditors and/or their affiliates, covering the nature of permitted non-audit services, the approved threshold and the process on how such services are procured. This is to ensure the independence and objectivity of the external auditors are not affected by such non-audit services that may be provided by them or their affiliates;
9. To annually assess the suitability, objectivity and independence of the external auditors, taking into consideration the following:
 - (a) the competence, audit quality and resource capacity of the external auditors in relation to the audit; and
 - (b) the conduct of, and independence demonstrated by, the external auditors throughout the audit engagement. In this connection, the AC shall obtain written confirmation from the external auditors that they are, and have been, independent in accordance with all relevant professional and regulatory requirements.

Internal Audit

To do the followings where an internal audit function exists: -

1. To review the adequacy of the scope, function and resources of the internal audit function and that it has the necessary to carry out its work;
2. To review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
3. To review any appraisal or assessment of the performance of members of the internal audit function;
4. To review whether there is reason (supported by grounds) to believe that the internal auditors are not suitable for reappointment;
5. To approve any appointment or termination of senior staff members of the internal audit function (if any);
6. To communicate its insights, views and concerns about relevant transactions and events to the internal auditors;
7. To review the resignation of internal audit staff members and provide the staff member the opportunity to submit his reasons for resigning; (if any) and
8. To consider major findings of internal investigations and management's response.

Related Party Transaction

To consider any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

Risk Management and Internal Control

To do the followings where risk management and internal control exists: -

1. To review areas of significant business and financial risk and the arrangements in place to mitigate those risks to acceptable levels;
2. To review the adequacy and effectiveness of the Group's risk management and internal control, including the management information system implemented by the Management;

3. To monitor risk management processes, ensuring they are integrated into all core business processes;
4. To consider the major findings of internal investigations and Management's response;
5. To review the Group's risk management policy and procedures, including implementation of the risk management framework; and
6. To review the Statement on Risk Management and Internal Control before recommending to the Board for inclusion in the Company's Annual Report.

Other Matters

1. To monitor the performance of the Company's compliance with relevant laws regulations and code of conduct;
2. Prepare an AC Report at the end of the financial year for inclusion in the Annual Report pursuant Bursa Securities' Main Market Listing Requirements;
3. To consider and examine such other matters as the AC considers appropriate; and
4. To consider other topics as defined by the Board.

Reporting

The AC is authorised to regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

The minutes of meetings shall be circulated by the Secretary of the AC to the AC members and all the other Board members.

Review of the Terms of Reference

The AC shall recommend changes to its terms of reference to fulfill such other requirements as prescribed by Bursa Securities and/or to align the AC with recommended better practices and proper corporate governance as the AC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated as and when necessary.

TERMS OF REFERENCE OF NOMINATION COMMITTEE (“NC”)

The principal objective of NC is to assist the Board to evaluate and recommend candidates on the appointment of the Director after considering the candidate skills, knowledges and experience and other qualities including core competencies which Director should bring to the Board and to assess the effectiveness of the Board as a whole.

Composition of Members and Chairman

1. The Board of Directors shall elect the NC members from amongst themselves and shall not be less than three (3) members, exclusively of Non-Executive Directors, a majority of whom shall be independent.
2. The Chairman of the NC should be the senior independent director or an independent director identified by the Board of Directors. In the absence of the Chairman, the other independent director shall be the Chairman for that meeting.
3. The Chairman of the NC should not chair the NC when he/she is dealing with the appointment of a successor to the Chairmanship.

Authority

The NC is authorised by the Board:

1. To investigate any activity within its terms of reference;
2. To obtain any information it requires from any employee of the Company, in order to perform its duties;
3. To obtain, at the Company’s expense, outside legal or other independent professional advice on any matter within its terms of reference.

Secretary

1. The Company Secretary(s) shall be the Secretary of the NC.

Meetings / Quorum and NC’s Procedure

1. A minimum of two (2) NC members present in person shall constitute the quorum, one of whom shall be an independent director.
2. The NC shall meet at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman’s discretion.

Meeting Notices and Attendance of the Meetings

1. Notice of the meeting shall confirm the venue, time and date, together with an agenda of items to be discussed. Notice shall be sent to each member of the NC, any other director or person required to attend at least five (5) working days before each meeting unless the NC waives the requirement. Supporting papers shall be sent to NC members and to other attendees, as appropriate, at the same time.
2. The NC members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons

participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

3. All decisions of the NC shall be decided on the votes of the simple majority of members present.
4. In the event of equality of votes, the Chairman of the meeting shall have a casting vote.
5. Any decision or recommendation made by the NC shall be subject to the review and ultimate approval of the Board.
6. The NC may invite any person it thinks appropriate to join the members of the NC at its meetings.

Circular Resolution

A resolution in writing, signed or approved by majority of the members of the NC shall be as effectual as if it has been passed at a meeting of the NC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more NC members. Such resolution may be approved by letter, electronic mail, telex or telefax or other electronic communication.

Minutes of the Meetings

1. The secretary shall minute the proceedings and resolutions of all meetings of the NC, including recording the names of those present and in attendance.
2. Minutes of each meeting shall be kept at the registered office and the Secretary (which expression shall include the assistant of the Secretary) shall distribute the minutes of each NC Meeting to all members of the NC as well as the member of the Board for notation.
3. The Secretary shall record any conflicts of interest divulged at the meeting.
4. Minutes of NC meetings shall be circulated to all members of the NC and, once agreed, to all members of the Board (unless a conflict of interest exists).
5. The minutes of the NC meeting shall be signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. The Chairman's confirmation of the Minutes shall be taken as a correct proceeding thereat.

Duties and Responsibilities: -

1. Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board after considering the candidates: -
 - Skills, knowledge, expertise and experience;
 - Professionalism;
 - Integrity; and
 - In case of candidates for the position of independent non-executive directors, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors;
2. To consider, in making its recommendations, candidates for directorships proposed by the Managing Director and within the bounds of practicability, by any other senior executive or any director or

shareholders and take steps to ensure that gender, ethnicity and age group diversity is considered as part of its recruitment exercise;

3. To review the size of Non-Executive Directors, Board balance and determine if additional Board members are required and also to ensure that at least 1/3 of the Board is independent.
4. To recommend to the Board, directors to fill the seats on Board Committees;
5. To recommend the removal of directorships for ineffectiveness or negligence; and
6. To recommend the appropriate training or courses for the directors to facilitate the discharge of their duties.
7. To review the term of office and performance of all Board Committees and each of its members annually to determine whether all Board Committees and their members have carried out their duties in accordance with their terms of reference.
8. To assess the effectiveness of the Board of Directors as a whole and each individual Director/committee of the Board, including Independent Non-Executive Directors, as well as the Managing Director annually. All assessments and evaluations carried out by the NC in the discharge of all its functions to be properly documented.
9. To develop the criteria to assess independence and to assess on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board of Directors.
10. To recommend the retirement of Directors by rotation and re-election to the Board pursuant to the Company's Constitution.
11. To consider and recommend the Independent Directors who have served beyond nine (9) years for continuation in office, taking into consideration their performance and ability to continue and contribute to the Board.
12. To keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the market place;
13. To keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
14. To make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed;
15. To act in line with the directions of the Board of Directors;
16. To consider such other matters as may be requested by the Board.

Other matters

The Board is responsible to decide the suitable candidates for the office after taking into consideration the recommendations from the NC.

To the extent that there are insufficient independent non-executive directors to satisfy the requirements of these terms of reference, the Board shall appoint any one or more of the other non-executive directors of

the Board to sit on the NC until such time as an independent non-executive director is appointed to the Board.

Reporting Responsibilities

The Chairman of NC shall report on each meeting to the Board on the nature and extent of the functions performed by NC and may take such recommendations to the Board as it may think fit.

These terms of reference may change from time to time to fulfill such other requirements as prescribed by the Bursa Malaysia Securities Berhad and/or to align the NC with recommended best practices and proper corporate governance.

TERMS OF REFERENCE OF REMUNERATION COMMITTEE (“RC”)

The principal objective of the **RC** is to assist the Board of Directors in their responsibilities in developing and establishing competitive remuneration policies and packages of the Board, Board Committees, and the Individual Directors of the Company on an on-going basis.

Composition of Members and Chairman

1. The Board of Directors (“The Board”) shall elect the RC members from amongst themselves, comprised wholly or mainly of non-executive directors. The terms of office of the RC shall be for a period of three (3) years and may be re-nominated and appointed by the Board from time to time.
2. The Chairman of the RC shall be elected from amongst the RC members. The Chairman of the committee shall be approved by the Board.
3. In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

Secretary

1. The Company Secretary(s) shall be the Secretary of the RC.

Meetings/ Quorum and RC’s Procedure

1. The RC shall meet at least annually or at such other frequency as the Chairman may determine.
2. A quorum shall consist of two (2) members, one (1) of whom shall be an independent Director.
3. The Secretary shall on the requisition of the members of RC summon a meeting of the RC except in the case of an emergency, reasonable notice of every RC meeting shall be given in writing.
4. The RC members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
5. All decisions of the RC shall be decided on the votes of the simple majority of those Members present.
6. In the event there be an equality of votes, then the Chairman of the meeting shall have a casting vote.
7. Managing Director may be invited to attend meetings to discuss the performance of Executive Directors and make necessary proposals as necessary. No Executive Director shall participate in the discussion of his own remuneration.
8. Any decision or recommendation made at the RC shall be subject to the review and ultimate approval of the Board.

9. Minutes of each meeting shall be kept at the registered office and the Secretary (which expression shall include the assistant of the Secretary) shall distribute the minutes of each RC Meeting to all its members and members of the Board.
10. The Secretary shall table the minutes of each RC meeting and shall circulate the same for each members' record. The Chairman's confirmation of the Minutes shall be taken as a correct proceeding thereat.
11. The Chairman shall report on each meeting to the Board.
12. A resolution in writing, signed or approved by majority of the members of the RC, shall be as effectual as if it has been passed at a meeting of the RC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more RC members. Such resolution may be approved by letter, electronic mail, telex or telefax or other electronic communication.

Duties and Responsibilities

The duties and responsibilities of the RC are as follows: -

- To review and assess the remuneration packages and structures of all the Directors and Senior Management in all forms, with or without other independent professional advice or other outside advice.
- In respect of Executive Directors and Senior Management, to ensure that the levels of remuneration package commensurate with skills and responsibility expected of the directors concerned and be sufficiently attractive and be able to retain directors needed to run the Company successfully.
- In respect of Non-Executive Directors, to ensure via the Board as a whole, that the fees and allowances payable reflect the experience, time demanded of Directors to discharge their duties and level of responsibilities undertaken.
- The remuneration packages shall also take into account the individual's performance, skills and experience, level of responsibility as well as the market benchmarks.
- To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time.
- To ensure that the remuneration and incentives for Independent Directors do not conflict with their obligations to bring objectivity and independent judgement to the Board.
- To ensure that there is adequate retirement scheme in place for the Executive Directors
- To act in line with the directions of the Board of Directors;
- To provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and Senior Management as well as overall remuneration framework of the Group
- To consider and examine such other matters as the RC considers appropriate;

- To engage external professional advisors to assist and/or advise the RC, on remuneration matters, where necessary
- To review the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of director or former director before presenting to the shareholders for approval.
- To suggest any practices and procedures which enable the smooth administration and effective discharge of the RC's duties and responsibilities
- Whilst discharging the above duties, Directors should abstain from discussion of their own remuneration.

The RC is to recommend to the Board, the remuneration of the Executive Directors in all its form, drawing from outside advise as necessary with the objective of ensuring: -

1. That the Company's Executive Directors are fairly rewarded for their individual contributions to the Company's overall performance; and
2. That the levels of remuneration are sufficient to attract and retain directors with the relevant experience and expertise needed to manage the business of the Company effectively.

The determination of the remuneration for the Non-Executive Directors will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration package.

Review of the Terms of Reference

These terms of reference may change from time to time to fulfill such other requirements as prescribed by the Bursa Malaysia Securities Berhad and/or to align the RC with recommended best practices and proper corporate governance.

WHISTLEBLOWING POLICY

Fibon Berhad and its subsidiaries ("the Group") are committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements and therefore has a Whistleblowing Policy ("Policy") as an avenue for employees to raise concerns in good faith without fear of reprisal. Below is a summary of the policy.

The policy is to enable individuals to raise concerns internally and at a high level if the individual believes there is a case of malpractice or impropriety, which are matters of public interest. These concerns could include:

- i. Financial malpractice or impropriety or fraud
- ii. Failure to comply with a legal obligation or Statutes
- iii. Bribery
- iv. Abuse of Power
- v. Conflict of Interest
- vi. Theft or embezzlement
- vii. Misuse of Company property
- viii. Non-Compliance with procedure
- ix. Dangers to Health & Safety or the environment
- x. Criminal activity
- xi. Improper conduct or unethical behavior
- xii. Attempts to conceal any of these

This policy is designed to offer protection to those who make their concerns known in good faith and if the disclosure has been made to the appropriate person. In an extreme case of malicious or wild allegations, legal action could result from the person complained about.

The Company will treat all such disclosures in a confidential and sensitive manner. The identity of the individual making the allegation may be kept confidential so long as it does not hinder or frustrate any investigation. However, the investigation process may reveal the source of the information and the individual making the disclosure may need to provide a statement as part of the evidence required.

In certain cases, anonymous allegations can be made but this will be considered at the discretion of the company. If an individual makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that individual. However, if an individual makes malicious or vexatious allegations, and particularly if he or she persists with making them, disciplinary action may be taken against that individual.

Making a Report

When submitting or e-mailing a report, the guidelines below should be followed:

- i. Please tell us if you know for a fact that fraud or malpractice is happening or if it is only a suspicion or rumors.
 - a. I know for a fact that the misconduct is happening
 - b. I have a strong suspicion that the misconduct is going on
 - c. I think there might be a misconduct going on
 - d. Someone told me about it
- ii. Identify which category of misconduct is being reported, with examples as listed below (which are non-exhaustive):

- a. Bribery or corruption
 - b. Supplier kickbacks
 - c. Tampering or destroying accounting documents
 - d. Misleading external/internal auditors
 - e. Under or Over billing with fraudulent intent
 - f. Payroll related fraud
 - g. Procurement Fraud
 - h. Disclosing confidential information to outside parties
 - i. Abuse of Power / Authority
 - j. Actions affecting patient safety
 - k. Misrepresentation or false statements by officer regarding matters concerning financial records
 - l. Expense Claim Fraud
 - m. Compliance Fraud
 - n. Breach of Internal Procedures
 - o. Cheque fraud – misuse of Company’s cheques
 - p. Conflict of interest
 - q. Any other concerns
- iii. Follow these guidelines:
- a. Briefly describe the misconduct
 - b. Location of the misconduct
 - c. The people who are involved
 - d. Time or period the misconduct occurred
 - e. Any other witness who can support the report
 - f. If a fraud, financial value of the fraud (if available)
 - g. Has anyone taken steps to conceal this issue
 - h. What evidence is there and where can this evidence be found. Please be specific as possible. Employees may also email any evidence in jpeg or PDF format.
 - i. Only raise genuine concerns. Any reporting made with malicious intent will subject the whistleblower to disciplinary action by the Company.
- iv. The whistle blower should report all concerns to The Audit Committee via electronic email to the below stated:-

Audit Committee

Lee Kok Kah	(Chairman)	kokkah@yahoo.com
Chong Chee Siong	(Member)	gavinfibon@gmail.com
Mazlan Bin Awang	(Member)	jev4489@yahoo.com